Pellegrino, Rachel

From: Brown, Brian (TM)
Sent: Friday, January 07, 2011 10:56 AM
To: Hickey, Toni
Subject: FW: Small Business Study

From: Morris, Craig
Sent: Friday, January 07, 2011 10:28 AM
To: Brown, Brian (TM)
Subject: FW: Small Business Study

From: Renee (b)(6)
Sent: Friday, January 07, 2011 10:20 AM
To: TMFeedback
Subject: Small Business Study

1. Please identify whether you are a trademark owner or practitioner, and the general size and nature of your business or trademark practice, including the number of trademark applications and registrations your business has, or your practice handles. Please note that the USPTO will fully consider any comments you submit, even if you choose not to identify yourself in a particular manner.
I am a trademark owner – I am a small business owner and I currently own one registration.
2. In approximately the last 5 years, please describe any instances of which you have first-hand knowledge where a small business may have been the target of litigation tactics attempting to enforce trademark rights beyond a reasonable interpretation of the scope of the rights granted to the trademark owner.
My company was involved in trademark litigation. While I believe the other party had a reasonable right to make a claim, I do feel that during the litigation, the other party took advantage of me because I am a small business with limited legal funds.
3. Please describe situations where you have been involved in receiving a cease-and-desist letter. Anecdotal information might include, but is not limited to, a description of whether the letter resulted in the small business ceasing its use of one or more marks, or whether the sender of the cease-and-desist letter withdrew or abandoned its demands against the small business owner.
My company received a Cease and Desist letter in reference to my previous registration, Mr. Bobbles' Blankets. The letter resulted in a discussion of a co-existence document between the two parties, however the first draft of the co-existence document was one-sided to the benefit of the other party. After my attorney provided markups to the document, we did not hear back from the other party for a substantial period of time (13 months) during which time he waited for his trademark to qualify for Section 8 and 15. Once Section 8 and 15 had been filed and accepted, the other party filed a petition to have my trademark canceled through the USPTO.
4. Please describe situations where you have been involved in trademark litigation in state or federal courts. Anecdotal information might include, but is not limited to, a description of whether the lawsuit settled on the basis of the small business agreeing to cease its use of one or more marks, or on the basis of the plaintiff withdrawing or abandoning its trademark-related allegation(s). Alternatively, relevant information might include whether such lawsuits resulted in a court judgment and the nature of the judgment (such as requiring the small business to cease its use of one or more marks, assessing monetary liability (damages, lost profits, or attorneys' fees) against the small business, requiring the plaintiff to pay the defendant's attorneys' fees, or imposing sanctions against the plaintiff under Rule 11 of the Federal Rules of Civil Procedure).

As described above for #3, a petition was filed to have my trademark cancelled through the USPTO. I hired a trademark attorney to represent my trademark in the case. During the discovery phase of the proceeding, the Petitioner failed to produce a single responsive document and evaded the repeated attempts to comply with its discovery obligations. The Petitioner claimed that many items during the discovery phase were "confidential" or not readily available and would cause too much of a burden to produce documentation, etc. My legal team offered to travel to his location to copy the requested documents but the other party would never agree on a date/time after repeated attempts. At great expense and investment in time, my company produced over 2,000 pages of requested documentation during this discovery period, including confidential financial statements. After 6 months into the trial, my lawyer was waiting to file a motion to compel (the other party still never made any documentation available and had excuse after excuse for delays), the Plantiff requested to suspend the case for Civil Action where he filed against my company and me personally in federal court in Pittsburgh, PA. Again, at this point in the trial, I had complied with all of his requests for documentation including confidential financial statements, so the Plantiff was now aware of the size of my company/profits, etc. I was completely honest and open during the discovery phase and produced what was requested. Facing trial in Pittsburgh PA, hiring more lawyers, etc. was too expensive for a small business, which the Plantiff knew. Unfortunately, I felt I didn't have many options except to settle out of court and agree to abandon my trademark even though I felt that I had a very strong case and that the Plantiff apparently had no documentation to prove any of his claims of trademark confusion, however he had a much larger legal budget.

5. Please describe situations where you have been involved in opposition/cancellation proceedings instituted at the USPTO against small business owners. Anecdotal information might include, but is not limited to, a description of whether the proceedings settled on the basis of the small business agreeing to abandon its application(s) for one or more marks, or whether the proceedings settled on the basis of the plaintiff withdrawing or abandoning its notice of opposition or cancellation petition. Alternatively, relevant information might include a description of whether such proceedings resulted in a decision by the USPTO Trademark Trial and Appeal Board ("TTAB") refusing to register/canceling one or more marks owned by the small business, or whether such proceedings resulted in the TTAB imposing sanctions against the plaintiff under Rule 11 of the Federal Rules of Civil Procedure.

Please see answer to #3 and #4 above.

6. Do you think trademark "bullies"[1] are currently a problem for trademark owners, and if so, how significant is the problem?

Yes, I do feel that trademark bullies are a problem, specifically for smaller independent business due to the financial commitment that it takes to successfully defend a case against a larger well funded "bully". As I share my case with other small business owners, they also relay similar stories to me so I do feel the problem is significant. The small business owners that I speak with are very discouraged and feel like no one is listening to them. For example, recently in the news I paid close attention to the Monster Energy drink company going after a smaller Vermont based micro-brewery for using Vermonster for the name of a beer. I have seen and heard of other similar cases as well.

7. Do you think aggressive litigation tactics are more pervasive in the trademark area than in other areas of the law?

unknown

8. Do you think the USPTO has a responsibility to do something to discourage or prevent trademark bullying? If yes, what should the USPTO do?

Yes, I feel that the USPTO has a responsibility to find ways to discourage larger companies from bullying smaller independent companies. During the course of my trademark litigation, the larger company never complied during the discovery phase of the trial. The Plantiff should be compelled to provide documentation and proof of their claims initially upon filing a complaint and they should also have to produce documentation first during the discovery phase. The burden of proof should be on the party filing the claim – if they are going to litigate, please compel them perform their obligations and do not allow them to "forum shop" and choose to suspend a case in order to increase pressure and costs.

9. Do you think the U.S. courts have a responsibility to do something to discourage trademark bullies? If yes, what should the U.S. courts do?

I'm not sure what can be done in the US Courts, but in my case, the Plantiff decided to "forum shop" and suspended the case at the USPTO in favor of pursuing a lawsuit against me in federal court in order to put more pressure on me, add to my expenses, make it more difficult to defend, etc. In addition, the judge assigned to the case was not a trademark expert so any judgment that would have been made would not have been as "expert" as one provided by the USPTO. This should not be allowed – if you file through the USPTO, you should have to see the case through.

10. What other U.S. agencies may have a responsibility to do something about the problem?

11. Do you think Congress has a responsibility to do something to discourage or prevent trademark bullying? If yes, what should Congress do?

Congress should definitely look into protections for smaller businesses. Currently one of the largest obstacles for smaller businesses is the finances required to defend such lawsuits. Larger companies should not be able to get away with filing against a smaller company, not producing any documentation by claiming that such information is "confidential", etc., then changing venues in order to force another party to settle, etc.

12. Please provide any other comments you may have.

Thank you for the opportunity to submit comments. Please contact me if you need any additional details.

Renee Sirulnik
Owner, BobbleRoos
(b)(6)